



Campaign Operations Part 2: Fundraising

August 26, 2015
8:30 – 10:00 pm

Objectives – Part 2

- ▣ Examine Support from Outside the Campaign
 - Volunteer Exemptions
 - Earmarked & Lobbyist Bundling Contributions
 - Joint Fundraising
 - Coordinated Communications v. Independent Expenditures
 - Candidate Appearance at Corporate/Labor Event
- ▣ Identify Candidate Support for the Campaign
 - Personal Funds
 - Contributions v. Loans
 - Transfers

GETTING OTHERS INVOLVED IN FUNDRAISING

Volunteer Exemptions

- » Volunteer Services
- » Use of Personal Property
- » Food/Beverage Vendor Discount
- » Home/Church/Community Room Event
- » Computer Services
- » Free Legal and Accounting



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I. Volunteer Exemptions (*Guide*, pp. 39-41)

A. Volunteer Services

1. Uncompensated Time

An individual may volunteer uncompensated personal services without contribution resulting. Volunteer activity is NOT reportable.

2. Meals and Lodging

Campaign volunteers may spend unlimited amounts for their own meals and lodging without making a contribution, as long as the expenses are incidental to volunteer activity.

B. Use of Personal Property

Individual may provide use of his/her real or personal property without contribution resulting (e.g., home or computer).

C. Food/Beverage Vendors (*Guide*, p. 42)

1. May sell food and beverages to campaign at a discount
2. Applies whether or not vendor incorporated
3. Charge must at least equal actual cost to vendor
4. Discount may not exceed \$1,000 per candidate, per election.

Home Event Exemption

- ▣ Home Event Exemption
 - \$1,000/election – food, beverages & invitations
 - Applies to event held in residence, church or community room
 - Amount spent in excess of \$1,000 (or by nonresident co-host) is in-kind contribution
- ▣ Contributions collected by event host(s)
 - Agent of committee = regular receipt
 - No advance authorization = earmarked contributions



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- D. Home/Church/Community Room Event** (*Guide*, p. 40)
1. Individual may spend up to \$1,000 per election for food, beverages and invitations for event held in residence, church or community room without contribution resulting.
 2. Nominal fee paid to secure room exempt.
 3. Community room must be:
 - a) Used on regular basis by community for noncommercial reasons; and
 - b) Available regardless of political affiliation.
 4. **In-Kind contribution results:**
 - a) Resident host:
 - (1) Amount spent on food, beverages or invitations in excess of the \$1,000 per election.
 - (2) Any expense outside of food, beverages or invitations.
 - b) Nonresident co-host: **ALL** expenses paid for event – exemption does not apply to nonresident co-host.
 5. **Earmarking rules may apply:**
 - a) If individual not expressly authorized by the committee collects contributions, campaign will need to report as earmarked contributions.
 - b) If campaign representative collects contributions, earmarking rules do not apply.

**SCENARIO #2: *Home Exemption* (Guide, p. 40)
 In-Kind Contributions (Guide, pp. 94-95)**

As the April 26, 2016, primary election day approaches, Candidate Kramer makes a number of solicitation calls to his loyal contributors. In response to his call, David Puddy and his friend, Tim Whatley (who lives around the corner at 715 West 79th Street, New York, NY 10024), invite a group of friends over to David's apartment on April 4th to drum up support for Kramer's re-election campaign while watching the Opening Day Mets v. Braves baseball game at David's Manhattan apartment.

David paid \$700 for hot dogs, peanuts, Cracker Jacks and drinks. His co-host, Tim, paid the printer \$1,300 to create event invitations that look like real game tickets.

- 1. Are both of the transactions in connection with the home event reportable in-kind contributions? Why or why not?**

- 2. How should the committee disclose the transaction(s)?**

SCENARIO #2 – ANSWERS:

1. Are both of these transactions reportable in-kind contributions? Why or why not?

In-kind contributions are donations of goods offered free, or at less than usual charge. David Puddy's expenses for the at-home fundraiser are not reportable as in-kind contributions because of an exemption in the law that permits an individual to spend up to \$1,000 for food, beverages and invitations for an event held **in his or her residence**. Therefore, the \$700 spent by David for refreshments is exempt.

Tim Whately is co-hosting the home event, however, since it is being held at someone else's residence. Any expenses paid by Tim do not fit within the exemption and are considered contributions to the campaign benefitting from the event. See AO 1980-63. Therefore, Tim has made a \$1,300 in-kind contribution to the Kramer for Congress Campaign.

2. How should the committee disclose the transaction(s)?

Tim's in-kind contribution must be reported as a receipt (disclosed on Schedule A) and also a disbursement (disclosed on Schedule B as an operating expenditure) in order to avoid inflating the cash-on-hand.

Report in-kind contribution: show reporting on Schedule A for Line 11(a)(i) and Schedule B for Line 17 (if itemized).

Part 1 of 2: Report Receipt on
July Quarterly Report

Form 3: Schedule A, Line 11(a)(i)

SCHEDULE A (FEC Form 3)
ITEMIZED RECEIPTS

Use separate schedule(s)
for each category of the
Detailed Summary Page

FOR FILING NUMBER: (check only one)
☒ 11a ☐ 11b ☐ 11c ☐ 11d
☐ 12 ☐ 13a ☐ 13b ☐ 14 ☐ 15

Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)
Committee to Elect Cosmo Kramer

Full Name (Last, First, Middle Initial)
A. Tim Whatley

Mailing Address
715 West 79th Street

City
New York

State
NY

Zip Code
10024

FEC ID number of contributing federal political committee.
C

Name of Employer
Self

Occupation
Dentist


Receipt For:
☒ Primary ☐ General
☐ Other (specify)

Election Cycle-to-Date
1,300.00

Date of Receipt
04 / 04 / 2016

Amount of Each Receipt this Period
1,300.00

In-Kind: Invitations for fundraiser

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Part 2 of 2: Report Disbursement on July Quarterly Report

**In-Kind
Contribution**

Form 3: Schedule B, Line 17

SCHEDULE B (FEC Form 3) ITEMIZED DISBURSEMENTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one) <input checked="" type="checkbox"/> 17 <input type="checkbox"/> 18 <input type="checkbox"/> 19a <input type="checkbox"/> 19b <input type="checkbox"/> 20a <input type="checkbox"/> 20b <input type="checkbox"/> 20c <input type="checkbox"/> 21	PAGE OF
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer				
Full Name (Last, First, Middle Initial) A. Tim Whatley			Date of Disbursement MM / DD / YYYY 04 / 04 / 2016	
Mailing Address 715 West 79th Street			Amount of Each Disbursement this Period 1,300.00	
City New York State NY Zip Code 10024			Purpose of Disbursement In-kind: Invitations for fundraiser	
Candidate Name			Category/ Type	
Office Sought: <input type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President			Disbursement For: <input type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
State: District:				



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Key issues:

In-Kind Contributions

- Remember to report in-kind contributions as a receipt and a disbursement (Schedules A & B).
- On both Schedule A (Date of Receipt box) and Schedule B (Purpose of Disbursement box), include notation indicating the contribution is “in-kind.”
- In-home exemption is \$1,000 per candidate, per individual when holding a campaign-related activity in their own home. Not reportable.
- If an individual co-hosts an event in someone else’s home, the exemption does not apply and the expenses paid by the nonresident co-host are considered reportable contributions.

Computer Services

Volunteers may do the following without making a contribution to a candidate:

- ✓ Spend unlimited amount of personal time e-mailing and doing web activities
 - Work time is limited
- ✓ Use personal computer on an unlimited basis
 - Use of work computer is limited
- ✓ Pay Internet service provider fees
- ✓ Pay domain name registration fees



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E. Computer Services (*Guide*, p. 39-41)

1. Permissible Uses

Individuals may use a computer for a wide variety of activities in connection with federal elections, including:

- a) Sending or forwarding unlimited e-mails on any political topic. Also, individuals do not have to identify themselves or state whether the messages have been authorized by any party or campaign committee.
- b) Creating, maintaining or hosting a web site.
- c) Providing a hyperlink to a web site.
- d) Posting comments to a blog, so long as they receive no compensation or, at most, a nominal fee. (Blogging also falls within certain exemptions for media activity.)
- e) Using a work computer for online political activity. This, however, is subject to an employer's rules for the personal use of computers and Internet access, and the employee must not be compensated for the activity. 11 CFR 100.94(b) and 100.155(b).

2. Not Exhaustive

This list of permissible activities is not exhaustive and additional activities may be possible.

3. Interaction with Campaigns/Parties

The contribution and expenditure exemptions apply regardless of whether individuals act with the knowledge or consent of a campaign or a political party committee.

Legal & Accounting Services

□ Exemption:

- Entity allowed to provide **free** legal & accounting services to a campaign
 - Must comply with the limitations
 - Includes corporations, committees, unions, and partnerships

□ NOT part of exemption:

- An individual personally volunteering legal or accounting services without compensation



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F. Free Legal and Accounting Services (*Guide*, pp. 39)

1. Exemption

Any entity (e.g. committee, corporation, union, partnership) may provide the campaign free legal and accounting services as long as:

- a) Services are provided only for the purpose of helping the campaign comply with the Act;
- b) Entity paying for the service is the regular employer of the individual performing the service;
- c) Employer does not hire additional employees to free regular employees to perform the service; and
- d) Reportable. See example below.

2. Use of Equipment

- a) Exemption only covers the services provided to ensure compliance with the Act.
- b) Employer cannot donate equipment (i.e., computers) without making a contribution.
- c) Use of employer's resources necessary to enable the employee to provide the service is not considered a contribution by the employer.

3. Not Volunteer Services

If an individual personally volunteers legal or accounting services without compensation, the work is considered personal volunteer activity and the above restrictions do not apply. Not reportable.

Legal & Accounting Services

Form 3: Schedule A, Line 11(a)(i) as MEMO entry

SCHEDULE A (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE	OF
ITEMIZED RECEIPTS				<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b	<input type="checkbox"/> 11c	<input type="checkbox"/> 11d
				<input type="checkbox"/> 12	<input type="checkbox"/> 13a	<input type="checkbox"/> 13b	<input type="checkbox"/> 14
				<input type="checkbox"/> 15			
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer							
Full Name (Last, First, Middle Initial) A. Barry Prophet				Date of Receipt 06 / 29 / 2016			
Mailing Address 460 West End Avenue, Suite 1210							
City New York		State NY		Zip Code 10024			
FEC ID number of contributing federal political committee. C				Amount of Each Receipt this Period 3,000.00			
Name of Employer Farkus & Prophet		Occupation Accountant		MEMO			
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)		Election Cycle-to-Date 4,700.00		Exempt Accounting Services			

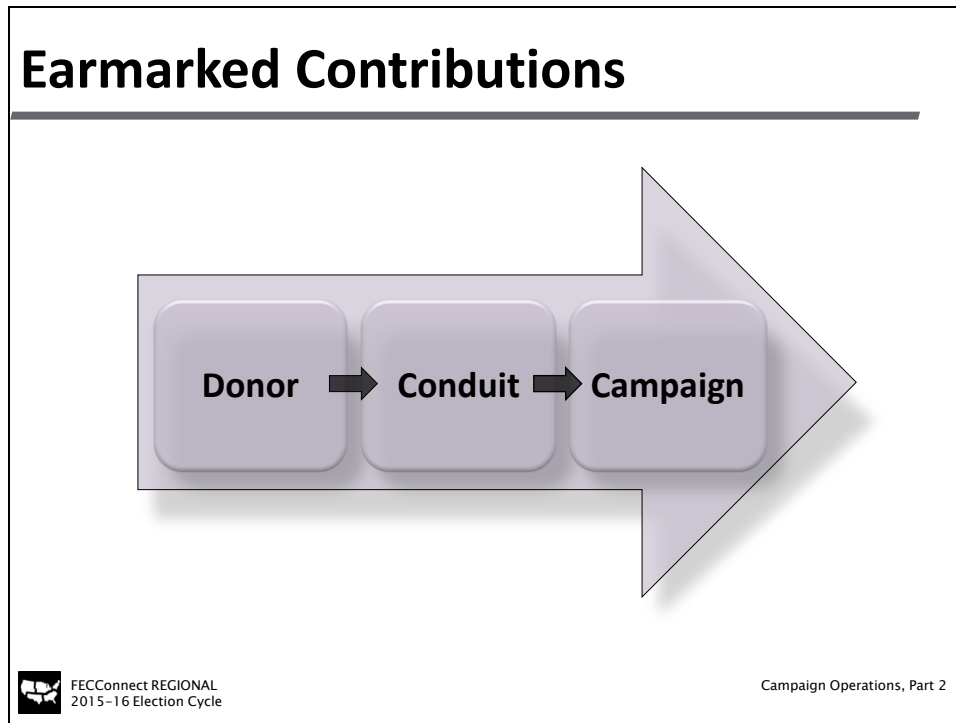


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- Reporting of Exempt Accounting and Legal Services**
Itemize value of the service (amount paid by the employer); the name of each person who performed the service; and the date the service was provided. For more information, see *Guide*, p. 94.

II. Earmarked Contributions – (11 CFR 110.6); (*Guide*, Appendix A, pp. 129-132)




- A. Definition:** A contribution to a candidate which the contributor directs (either orally or in writing) through an intermediary or conduit.

Earmarked Contributions

Conduit: anyone who receives and forwards an earmarked contribution to a candidate

Except . . .

- Employees/full time volunteers of campaign
- Authorized fundraisers
- Affiliated committees of the campaign
- Commercial fundraising firms

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B. Conduit/Intermediary

1. Anyone who receives and forwards an earmarked contribution to a candidate. This includes individuals, political committees, unregistered committees and partnerships.
2. Persons not considered conduits include:
 - a) Corporations, unions and other prohibited sources;
 - b) Employees or full time volunteers working for campaign committee;
 - c) Individuals expressly authorized to raise money on behalf of the candidate;
 - d) Committees affiliated with campaign committee; and
 - e) Commercial fundraising firms retained by campaign committee.

C. Effect on Contribution Limits

1. An earmarked contribution counts against the contributor's limit for the recipient candidate.
2. Conduit limit is affected when the conduit exercises direction or control over the contributor's choice of recipient candidate.

Earmarked Contributions

Procedures:

- ▣ Contribution must be:
 - Forwarded to campaign within 10 days of conduit's receipt
- ▣ Conduit must:
 - Provide campaign with contributor information for FEC report



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D. Transmittal to Campaign

1. The conduit must forward an earmarked contribution to the recipient campaign committee within 10 days of receiving the contribution.
2. Campaign should receive transmittal report from conduit containing the contributor information needed to disclose on FEC report.

SCENARIO #3 ***Earmarked Contributions*** (Guide, Appendix A, pp. 129-132)

Back to David Puddy's house party fundraising event on April 4th ...

During the 7th Inning Stretch, David begins a discussion about Candidate Kramer and in response a number of guests break out their checkbooks to make contributions. Since no campaign representatives were at the event, one of the attendees, Art Vandelay, decides to collect the checks and forward them to the campaign. Most of the checks were for \$50, except for one from Mickey Abbott who wrote a check for \$250. In order to get the money to the campaign before the election, Art takes a walk to the Kramer Campaign Office and hand-delivers the envelope of checks to Treasurer Newman on April 6, 2016.

- 1. Does the campaign disclose the receipt of an earmarked contribution as a contribution from the conduit or as a contribution from the individual? Or both?**

- 2. How does the campaign disclose the receipt of earmarked contributions?**

SCENARIO #3 – ANSWERS:

1. Does the committee disclose the receipt of an earmarked contribution as a contribution from the conduit, a contribution from the individual donors or both?

Only as a contribution from the individual(s). In this scenario, Art Vandelay is acting as a conduit. Since the decision to make the contribution to the candidate was independently made by the individual contributors, not under the direction or control of Mr. Vandelay, it is treated as a contribution only from the individual(s), not affecting the conduit's limits.

2. How does the committee disclose the receipt of earmarked contributions?

- **Report itemized contribution from individual(s)** on Schedule A for Line 11(a)(i). The Date of Receipt is the date the conduit received the money from the contributors, in this case the date of the event. The itemization should also include a notation in the Receipt This Period box indicating, "Earmarked through Art Vandelay." All of the smaller contributions of \$50 do not require itemization, but the value should be included in the total amount of unitemized contributions reported on Line 11(a)(ii).
- **Report the receipt from conduit** on Schedule A for Line 11(a)(i) as a MEMO entry. The Date of Receipt is the date the campaign received the funds from the conduit; itemization should also include a notation in the Receipt This Period box indicating "Total earmarked through conduit."

See Reporting Example on Next Page

Part 1 of 1: Report Receipt on July Quarterly Report

Earmarked
Contribution

Form 3:
Schedule A,
Line 11(a)(i)

Both entries
relate to a
single receipt

SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		FOR LINE NUMBER: PAGE OF	
Use separate schedule(s) for each category of the Detailed Summary Page		(check only one)	
		<input checked="" type="checkbox"/> 11a	<input type="checkbox"/> 11b
		<input type="checkbox"/> 11c	<input type="checkbox"/> 11d
		<input type="checkbox"/> 13a	<input type="checkbox"/> 13b
		<input type="checkbox"/> 14	<input type="checkbox"/> 15
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.			
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer			
Full Name (Last, First, Middle Initial) A. Mickey Abbott		Date of Receipt 04 / 04 / 2016	
Mailing Address 460 Columbus Avenue		Amount of Each Receipt this Period 250.00	
City New York State NY Zip Code 10024		Earmarked through Art Vandelay	
FEC ID number of contributing federal political committee. C			
Name of Employer Kramerica Industries Occupation Executive Assistant		250.00	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
Election Cycle-to-Date 250.00			
Full Name (Last, First, Middle Initial) B. Art Vandelay		Date of Receipt 04 / 06 / 2016	
Mailing Address 460 West End Avenue, Suite 2500		Amount of Each Receipt this Period 1,800.00	
City New York State NY Zip Code 10024		MEMO	
FEC ID number of contributing federal political committee. C			
Name of Employer Vandelay Industries Occupation Importer/Exporter		Total earmarked through conduit: limit not affected	
Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
Election Cycle-to-Date 1,800.00			
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Key issues:

- The date of receipt may be different for the conduit and the contributor(s).
- Use MEMO entry if the amount of earmarked contributions passed on by the conduit exceeds \$200 over the election cycle.
- The conduit's contribution limit is affected if the conduit exercises direction or control over the choice of candidate. Please note that if the conduit's limit is affected, the conduit must tell the campaign.

**III. Disclosure of Contributions Bundled by Lobbyists/Registrants and
Lobbyist/Registrant PACs – (11 CFR 104.22); (*Guide*, Appendix F, pp. 161-167)**

Lobbyist Bundling

Festivus Club Members Fundraising Totals for July Quarterly Covered Period



George = \$20,000



Vandelay Industries = \$15,500



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Lobbyist Bundling

- ▣ Bundled or Earmarked?
 - Intermediary of a bundled contribution must be a Lobbyist / Registrant / PAC
 - Two Types of Bundled Contributions
 - ▣ Forwarded by Lobbyist
 - ▣ Received by campaign, Lobbyist given “credit” for raising \$\$
 - ▣ Exception: Lobbyist/Registrant/PAC’s own funds
- ▣ Tracking and crediting includes:
 - Records
 - Designations or other means of recognizing (i.e., titles, tracking identifiers, access or mementos)



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A. Basic Rule

Generally, to be a *bundled contribution*, the intermediary between the contributor and recipient campaign committee must be a *lobbyist, registrant or lobbyist registrant PAC*.

1. Determining Whether a Person is Known to be a Lobbyist/Registrant or Lobbyist/Registrant PAC

- a) Lobbyist/Registrant.** At the time the contribution is forwarded or received determine if the person is:
 - (1) Listed as current registrant under section 4(a) of the Lobbying Disclosure Act of 1995 (the LDA); or
 - (2) An individual listed on a current registration filed under Section 4(b)(6) or current report filed under Section 5(b)(2)(C) of the LDA.
- b) Lobbyist/Registrant PAC.** At the time the contribution is forwarded or received determine if the committee is:
 - (1) Identified as a lobbyist/registrator PAC on its FEC Form 1 (Statement of Organization); or
 - (2) Listed as a political committee established or controlled by a lobbyist or registrant on a report filed under Sec. 203(a) of HLOGA, amending the LDA.
- c) Consult the websites maintained by:**
 - (1) Clerk of the House: <http://clerk.house.gov>
 - (2) Secretary of the Senate:
http://www.senate.gov/pagelayout/legislative/g_three_sections_with_teasers/lobbyingdisc.htm
 - (3) FEC: <http://www.fec.gov>
- d) Proof of Calculated Search**

Computer printout or screen capture showing absence of person's name on the Senate, House or FEC websites may be used to demonstrate reporting committee's efforts to determine if person in question is a lobbyist/registrator or lobbyist/registrator PAC.
See 11 CFR 104.22(b)(2)(ii)

B. "Bundled" Contributions

1. Forwarded Contribution

Contribution (monetary or in-kind) delivered or transmitted by physical or electronic means to campaign committee by lobbyist/registrator or lobbyist/registrator PAC or by any person the reporting committee knows to be acting on behalf of a lobbyist/registrator or lobbyist/registrator PAC.

2. Received and Credited Contribution

Contribution (monetary or in-kind) received by campaign committee from contributor and credited by campaign to a lobbyist/registrator or lobbyist/registrator PAC through records, designations, or other means of recognizing that money has been raised by the lobbyist/registrator or lobbyist/registrator PAC.

- a) **Track or Give Credit for Contributions: Records**
Written evidence (i.e., computer files, databases) that the campaign attributes contributions received by campaign as raised by a lobbyist/registrant/PAC.
 - b) **Track or Give Credit for Contributions: Designations or Other Means of Recognizing.**
Benefits given by the campaign to persons for raising a certain amount of contributions including, but not limited to:
 - (1) **Titles** assigned by the campaign;
 - (2) **Tracking identifiers** assigned by the campaign for the purpose of maintaining information about the amount of contributions the person raises;
 - (3) **Access** (includes offers or attendance) to campaign events or activities; and
 - (4) **Mementos** given by the campaign (e.g. photos with the candidate or autographed copies of books authored by candidate).
3. **What is NOT a “Bundled” Contribution?**
Personal funds contributions from lobbyists/registrants or spouses of individual lobbyists/registrants; and contributions made by lobbyist/registrant PAC from its own PAC funds.

Lobbyist Bundling

- ▣ 2015 Bundling Disclosure Threshold = \$17,600
- ▣ Additional Disclosure on Form 3L
Required if Lobbyist forwards, or is credited with raising > \$17,600 during a covered period
- ▣ Form 3 and 3L Filed Simultaneously
When reviewing receipts at end of period, also examine bundling activity to determine if additional disclosure is necessary



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C. Disclosure of Lobbyist Bundling Activity

1. 2015 Disclosure Threshold = \$17,600

Campaign committees that receive two or more bundled contributions from a lobbyist/registrant or lobbyist/registrant PAC aggregating in excess of \$17,600 during a specific *covered period* are required to disclose activity on FEC Form 3L.

2. Bundled Contributions Disclosed on Form 3L

Form 3L is filed on the same quarterly schedule, simultaneously with Form 3. Additional semi-annual covered period disclosure for report due in July (July Quarterly or pre-election report, if applicable) and January (Year-End Report).

3. FEC Form 3L

Campaigns must also file a semi-annual report for any semi-annual period for which they filed a quarterly report.

a) **Example.** A campaign that filed an April Quarterly 3L Report but did not trigger the 3L filing requirement during the July Quarterly period would not be responsible for filing a July Quarterly 3L Report, but would be responsible for filing a Mid-Year Semi-Annual 3L Report to reflect its bundled contributions during the January 1 through June 30 covered period.

b) **Form 3L and Instructions:**

<http://www.fec.gov/pdf/forms/fecfrm3l.pdf> and

<http://www.fec.gov/pdf/forms/fecfrm3l.pdf>

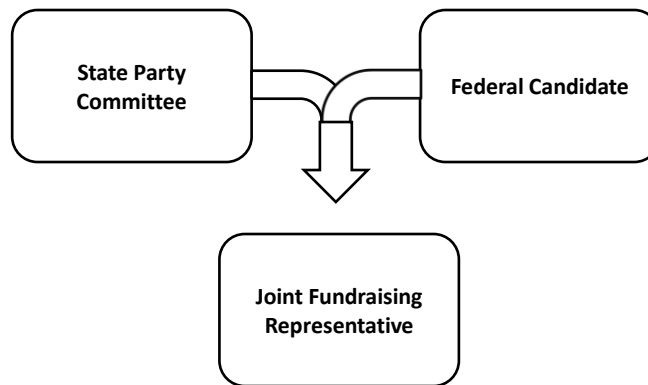
D. Has My Campaign Triggered Disclosure of Bundled Contributions?

To determine whether your campaign triggers disclosure under these rules, ask the following three questions:

1. Does the campaign receive forwarded contributions or give credit to fundraisers for contributions they raise?
2. If so, are contributions forwarded by, or does campaign give credit to, persons that qualify as lobbyists/registrants or lobbyist/registrant PACs?
3. If so, does the amount forwarded by, or credited to, a lobbyist/registrant or lobbyist/registrant PAC exceed \$17,600 during the covered period?

If the answer to all three questions is yes, then the campaign committee must file a Form 3L.

Joint Fundraising



Contributions from Joint Fundraising



Joint Fundraising

Procedures:

- ▣ Establish Joint Fundraising Representative (JFR)
 - Participants designate JFR as an authorized committee on Form 1
 - Collects/deposits joint fundraising contributions in separate account
 - Pays expenses and transfers proceeds to participants
- ▣ Create Written Agreement
 - Outlines formula for allocating proceeds and expenses



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IV Joint Fundraising – (11 CFR 102.17); (*Guide*, Appendix C, pp. 137-144)
Election-related fundraising conducted by a campaign committee and one or more other political committees or unregistered organizations.

A. Joint Fundraising Representative

1. All participants must either create a new committee (recommended) or select one of the participating federal political committees to act as joint fundraising representative (JFR).
2. New committee established as JFR must register with the FEC and must include the name of each participating federal candidate in the new committee's name.
3. Participants amend FEC Form 1 to designate JFR as an authorized committee.
4. Responsible for collecting and depositing joint contributions, paying expenses and allocating net proceeds to all participants.
5. Must keep records and report overall joint fundraising activity.

B. Screening Contributions

1. JFR and participants must screen contributions to make sure they are neither prohibited nor in excess of contribution limits.
2. Maximum limit = total amount he/she may contribute to all participants, without exceeding any limits.

C. Joint Fundraising Agreement

Participants agree to formula to allocate proceeds and expenses and sign a written agreement.

SCENARIO #4: Joint Fundraising Transfers (Guide, Appendix C, pp. 137-144)

Representative Cosmo Kramer and Senator Frank Costanza decide to hold an event on April 4, 2016 in Candidate Kramer's district as a final push for their primary campaigns. They plan to divide the expenses and proceeds equally and have designated the "Kramer/Costanza Victory Fund" as their joint fundraising representative.

At the event, Kramer/Costanza Victory Fund collects a total of \$5,400. The only contributions came from Matt Wilhelm and David Puddy. Each made a \$2,700 contribution at the event. Since the proceeds were split evenly (50%) between Representative Kramer and Senator Costanza, Mr. Wilhelm and Mr. Puddy each made a \$1,350 contribution to Representative Kramer and a \$1,350 contribution to Senator Costanza.

Kramer/Costanza Victory Fund incurred \$1,000 in expenses to put on the April 4th event. As a result, the Committee to Elect Cosmo Kramer received a check from the Kramer/Costanza Victory Fund on April 6, 2016, in the amount of \$2,200, comprising the committee's 50% allocation of net proceeds.



1. How should the Committee to Elect Cosmo Kramer disclose the transfer in from Kramer/Costanza Victory Fund?
2. Is any additional disclosure necessary?

SCENARIO #4 – ANSWERS:

1. How should Committee to Elect Cosmo Kramer disclose the transfer in from Kramer/Costanza Victory Fund?

The funds are coming from Kramer/Costanza Victory Fund, which has been authorized to raise money for the candidate. Therefore, the receipt is reported on the Form 3 line for transfers of funds from an authorized committee (Line 12) – not on the line for contributions from individuals (Line 11(a)). The campaign committee should itemize its net proceeds (the campaign’s share of the gross contributions, minus its share of expenses) as a receipt from Kramer/Costanza Victory Fund.

2. Is any additional disclosure necessary?

Yes. The committee must list the individual contributions contained in the transfer-in from the JFR that meet the itemization threshold using MEMO entries on Schedule A. The MEMO entries should be linked to the transfer (for electronic filers) or appear directly underneath the main transfer entry. This will make it clear which individual contributions made up each transfer in cases where the committee reports multiple JFR transfers. (If unable to link or list individual contributions underneath the main transfer entry, specify the JFR transfer date next to each individual contribution as MEMO text).

Report receipt of transfer from Joint Fundraising Representative (JFR): show reporting on Schedule A for Line 12. The Date of Receipt is the date the campaign receives the net proceeds from the JFR.

Report individual contributors: show reporting on Schedule A for Line 12 using MEMO entries. The Date of Receipt is the date the JFR received the contribution from the individual; the Amount of Each Receipt this Period is the campaign’s full share of contribution (before expenses); also include the notation in the Receipt This Period box indicating, “Kramer/Costanza Victory Fund – Joint Fundraiser.”

See Reporting Example on Next Page

Part 1 of 1: Report Receipts as Transfers-In on July Quarterly Report

Joint
Fundraising

SCHEDULE A (FEC Form 3) ITEMIZED RECEIPTS		Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: (check only one)	PAGE OF
			<input checked="" type="checkbox"/> 12	
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.				
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer				
A. Full Name (Last, First, Middle Initial) Kramer/Costanza Victory Fund			Date of Receipt 04 / 06 / 2016	
Mailing Address 48 West 77th Street City: New York State: NY Zip Code: 10024			Amount of Each Receipt this Period 2,200.00	
FEC ID number of contributing federal political committee: C 00558741			Joint Fundraising Committee	
Name of Employer: _____ Occupation: _____				
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date: 2,200.00				
B. Full Name (Last, First, Middle Initial) Matt Wilhelm			Date of Receipt 04 / 04 / 2016	
Mailing Address 340 Amsterdam Avenue City: New York State: NY Zip Code: 10024			Amount of Each Receipt this Period 1,350.00	
FEC ID number of contributing federal political committee: C			MEMO Kramer/Costanza Victory Fund - Joint Fundraiser	
Name of Employer: New York Mets Occupation: Head Scout				
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date: 1,350.00				
C. Full Name (Last, First, Middle Initial) David Puddy			Date of Receipt 04 / 04 / 2016	
Mailing Address 375 West End Avenue City: New York State: NY Zip Code: 10024			Amount of Each Receipt this Period 1,350.00	
FEC ID number of contributing federal political committee: C			MEMO Kramer/Costanza Victory Fund - Joint Fundraiser	
Name of Employer: West End Auto Body Occupation: Mechanic				
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date: 1,350.00				

Form 3: Schedule A, Line 12

- Report transfer received from JFR
- Memo entries for individual donors

Campaign Operations, Part 2

Key issues:

- The date of receipt may be different for the JFR and the contributors.
- Report the transaction using Line 12 (Transfers from Other Authorized Committee), not Line 11(a)(i).
- Use MEMO entries to break out contributor itemization.
 - Report gross amount of contribution(s) and include a notation referring back to JFR.
 - Itemize contributions from the original donors making up its share of the gross receipts as MEMO entries on Schedule A (only contributions aggregating over \$200 for the election cycle for the contributor require itemization).
 - Please note that in most cases, the net amount of the transfer in to a participating campaign committee will be less than the sum of the MEMO entries supporting the transfer.
- The JFR pays expenses out of the total funds raised, and then gives participating committees their allocated share of the leftover money.
- Remember, when designating a separate JFR, participating campaign(s) must amend their FEC Forms 1 & 2 to add the JFR as an authorized committee.

Coordinated Communication

Example



Vandelay Industries PAC Says
Vote for Kramer


Paid for by Vandelay Industries PAC and authorized by Committee to Elect Cosmo Kramer

 FECConnect REGIONAL
2015-16 Election Cycle

Campaign Operations, Part 2

Coordination

- ▣ Made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, candidate's authorized committee, or a political party committee
 - Results in an in-kind contribution (or coordinated party expenditure)
 - Specific rules apply to determine whether a communication is coordinated

 FECConnect REGIONAL
2015-16 Election Cycle

Campaign Operations, Part 2

V. **Communications – Coordinated and Independent Spending** (*Guide*, Appendix D, pp. 139-149)

A. Definition of “Coordination”

Coordination means made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate’s authorized committee, or their agents, or a political party committee, or its agents. 11 CFR 109.20.

1. When a committee, group or individual makes an expenditure that is coordinated with a campaign or a candidate, it is either an in-kind contribution, or in some limited cases, a coordinated party expenditure by a party committee.
2. The regulations provide for a three-pronged test to determine whether a communication is coordinated.

Coordination

- ▣ If communication is coordinated:
 - Considered an in-kind, subject to limits
- ▣ Coordination three-part test:
 - ✓ Source of payment
 - ✓ Content standard (timing, substance)
 - AND
 - ✓ Conduct standard (interaction)



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2015-16 Election Cycle

Campaign Operations, Part 2

B. “Coordinated Communications” (*Guide*, Appendix D, pp. 139-143)

1. In-kind contribution

If communication is coordinated with campaign, it is considered an in-kind contribution, subject to limits.

2. Three-part test for coordination

Communication must satisfy all three prongs of test to be considered coordinated. 11 CFR 109.21(a).

a) The source of payment

Must be paid for by someone other than candidate or authorized committee.

b) Content standard

Concerns the timing and whether the subject matter of the communication is reasonably related to federal elections. 11 CFR 109.21(c).

- c) **Conduct standard**
Concerns the interactions between the person paying for the communication and the candidate or political party committee. 11 CFR 109.21(d). Two of the five conduct standards include:
- (1) **Employment of common vendor during previous 120-days.** 11 CFR 109.21(d)(4).
 - (2) **Former employee/independent contractor during previous 120 days.** 11 CFR 109.21(d)(5).

Coordination

Conduct Standard Safe Harbors:

- ▣ Agreement, formal collaboration or express advocacy not necessary for a communication to be coordinated
- ▣ Safe Harbors include:
 - Inquiry re: policy or legislative issues
 - Endorsements and solicitations
 - 120-day temporal limit for common vendor/former employee conduct standards
 - Certain commercial transactions



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2015-16 Election Cycle

Campaign Operations, Part 2

3. **Safe Harbor Provisions to Conduct Standard** (*Guide*, Appendix D, pp. 142-143)
- a) **Agreement of Formal Collaboration**
Neither agreement nor formal collaboration is necessary for a communication to be a coordinated communication. 11 CFR 109.21(e).
 - b) **Express Advocacy Not Necessary** for communication to be coordinated.
 - c) **Safe Harbor for Inquiries about Legislative or Policy Issues**
A candidate's response to an inquiry about their positions on legislative or policy issues, which does not include discussion of campaign, plans, projects, activities or needs, will not satisfy any of the conduct standards. 11 CFR 109.21(f).
 - d) **Safe Harbor for Endorsements and Solicitations**
A public communication in which a Federal candidate endorses another candidate for Federal or non-Federal office is not

coordinated unless the public communication promotes, attacks, supports or opposes (PASOs) the endorsing candidate (or another candidate who seeks election to the same office).

11 CFR 109.21(g).

e) **120-day Temporal Limit for Common Vendor and Former Employee Conduct Standards.**

f) **Safe Harbor for Commercial Transactions**

Federal candidate may appear in public communications in his/her capacity as a business owner or operator that existed prior to the candidacy provided that:

- (1) The medium, timing, content and geographic distribution of the public communication(s) are consistent with public communications made prior to the candidacy; and
- (2) The public communication does not PASO that candidate or another candidate seeking the same office.

11 CFR 109.21(i).

Coordination Equation

Source + Content + Conduct = Coordination

Coordination = Contribution

Contribution = Limits + Prohibitions

No Coordination (plus Express Advocacy) =
Independent Expenditure




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2015-16 Election Cycle

Campaign Operations, Part 2

Independent Expenditure

- ▣ Communication
- ▣ Containing Express Advocacy
- ▣ Not Coordinated

EXPRESS ADVOCACY 
 **NO COORDINATION**

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2015-16 Election Cycle

Campaign Operations, Part 2

- C. **Independent Expenditures** (*Guide*, Appendix D, pp. 143-146)
1. **Definition**
Expenditure for a communication expressly advocating the election or defeat of a clearly identified candidate, that is not made in cooperation, consultation, or concert with, or at the request or suggestion of a candidate, a candidate's political party, or his/her agents. 11 CFR 100.16.
 2. **Not Contributions**
Because there is no coordination, independent expenditures do not count as contributions to (or received by) a candidate's committee.
 3. **Disclosure**
 - a) Report filed by person making the independent expenditure.
 - b) Independent expenditures must include appropriate disclaimers.
 - c) However, if the expenditure meets the test for "coordinated communication," campaign discloses as in-kind contribution.

Independent Expenditure

Example




Vandelay Industries Says
**Vote for
Kramer**

Paid for by Vandelay Industries (www.vandelay.com)
and not authorized by any candidate or committee

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2015-16 Election Cycle

Campaign Operations, Part 2

Candidate Appearance - Restricted Class



Candidate and Organization may:	<ul style="list-style-type: none">• Expressly advocate• Solicit contributions
Candidate may:	<ul style="list-style-type: none">• Collect contributions
Organization's SSF may:	<ul style="list-style-type: none">• Act as conduit for earmarked contributions• **Special rules apply**

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2015-16 Election Cycle

Campaign Operations, Part 2

VI. Corporate/Labor Communications: Candidate Appearances (*Guide*, pp. 46-49)

A. General Guidelines

Although corporations (including incorporated trade associations and membership organizations) and labor organizations are prohibited from using treasury funds to make contributions in connection with federal elections, they are permitted to sponsor:

1. Certain election-related communications to other employees and/or the general public as long as they are not coordinated with a candidate. See section on “Independent Expenditures” above.
2. Communications to the restricted class (see definition below) that contain express advocacy and may be coordinated with a candidate.

B. Candidate appearance before the “Restricted Class”

1. Restricted Class defined

- **Corporations:** Stockholders, executive and administrative personnel, and families of both groups.
- **Labor Organizations:** Members, executive and administrative personnel of organization, and family of both groups.
- **Membership Organizations:** Noncorporate members, representatives of corporate members, executive and administrative personnel, and family of all three groups.
- **Trade Associations:** Executive and administrative personnel and noncorporate members, representatives of corporate members with whom association normally conducts business

2. At the event

- Candidate and corporation/union/organization can expressly advocate for candidate
- Candidate and corporation/union/organization can solicit contributions
- Candidate may collect contributions at event
- Corporation/union/organization prohibited from collecting funds
- SSF may act as conduit for earmarked contributions (special rules apply). See, 11 CFR 110.6 and 114.2(f)

C. Candidate Appearance to All Employees/Members

1. Open to individuals beyond the “restricted class”

Rank and file employees/full membership but NOT the general public

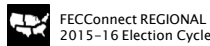
2. At the event

- Candidate and corporation/union/organization can expressly advocate
- Candidate can solicit contributions
- NO funds may be collected at the event; the candidate may leave envelopes and campaign materials for the audience
- Corporation/union/organization may not coordinate communication with campaign, except regarding structure, timing and format of event.
- “Coordination” on other issues (i.e., candidate’s projects, plans, needs) would result in prohibited in-kind contribution

SUPPORT FROM THE CANDIDATE

Candidate Support

- ▣ Unlimited Personal Funds
- ▣ ½ Jointly Held Assets
- ▣ Contributions vs. Loans
 - Both unlimited from personal funds
 - Loans can be repaid, contributions cannot



Campaign Operations, Part 2

I. **Personal Funds** (*Guide*, pp. 15, 29-30)

A. **Unlimited**

Candidate may spend unlimited personal funds on his/her campaign.

B. **Personal Funds Defined**

Assets that the candidate had legal right of access to, or control over, or equitable interest in, prior to candidacy, including:

1. Salary.
2. Other earned income. See AO 2006-13.
3. Dividends from stock.
4. Sale of stock or investments.
5. Income from trusts established before candidacy.
6. Bequests to candidate (even after candidacy).
7. Winnings from lotteries or games of chance.
8. Gifts of cash or other assets, but **only if** customarily received prior to candidacy.

C. **Application to Spouse** (*Guide*, pp. 14-15, 17)

1. **Limit: \$2,700/election** (indexed) – same as other individuals.
2. Candidate may use a portion of assets (normally 50%) jointly owned with his or her spouse, without contribution from spouse resulting.

II. Loans from the Candidate (*Guide*, pp. 14-15, 30, 36, 91-92, 108-112)

A. Loan = Contribution

Considered a contribution; as such, has no limit. However, amount disclosed as loan can be repaid, contributions cannot. See AO 2008-09.

B. Source of Loan Funds

1. Candidate's own personal funds.
2. Candidate uses funds obtained through a personal loan from a lending institution, funds derived from an advance on their brokerage account, credit card or other line of credit.

Candidate Support

Repayment of Candidate Loans

- ▣ Using contributions made *before* election
 - May repay entire amount
- ▣ Using contributions made *after* election
 - May repay no more than \$250,000
 - Amount in excess of \$250,000 = contribution

C. Repayment of Personal Loans from Candidate (*Guide*, pp. 29-30, 51)

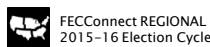
1. For personal loans from the candidate (including advances or candidate-endorsed bank loans) to his or her authorized committee that aggregate more than \$250,000, the following rules apply:
 - a) Campaign committee may use contributions to repay the candidate for the entire amount of the loan or loans only if those contributions were made on or before the day of the election; and
 - b) Committee may use contributions to repay the candidate only up to \$250,000 from contributions made after the date of the election.

- c) If committee uses the amount of cash-on-hand as of the date of the election to repay the candidate for loans in excess of \$250,000, then it must:
 - (1) Do so within 20 days of the election; and
 - (2) Treat the portion of candidate loans that exceed \$250,000, minus the amount of cash-on-hand as of the day after the election as a contribution by the candidate.
- 2. See AOs 2008-22 and 2008-09 (still in effect even though Millionaires' Amendment is not).

Candidate Support

Transfers

- ⊗ Nonfederal Campaign to PCC - PROHIBITED
- ✓ From Prior Fed. Campaign in Different Cycle
 - Unlimited
 - No aggregation of contributor limits



Campaign Operations, Part 2

III. Transfers from Candidate's Other Campaigns (*Guide*, Chapter 9, pp. 59-61)

- A. **From Candidate's State or Local Campaign** (11 CFR 110.3(d))
Prohibited.
- B. **From Candidate's Prior Federal Campaign in Different Cycle**
(11 CFR 110.3(c)(4))
Unlimited, without aggregation of contributor limits. See AOs 1996-52 and 1980-30.

Candidate Support

Transfers

- ✓ From Candidate's Campaign for Different Office
 - In the Same/Overlapping Election Cycle
 - Set up separate committee
 - No transfers while actively seeking more than one office
 - Aggregation of contributor limits
 - In Different Cycles
 - Unlimited
 - No aggregation



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2015-16 Election Cycle

Campaign Operations, Part 2

- C. From Candidate's Federal Campaign for Different Office in Same or Overlapping Cycle – (11 CFR 110.3(c)(5))**
1. Prohibited while actively seeking more than one office.
 2. When no longer actively seeking two offices, permitted, but contributor limits are aggregated.
 3. See AOs 1984-38, 1982-01 and 1978-19.
- D. Separate Accounts and Organizations Required.**
Required for each campaign for different office.

SCENARIO #5: *Candidate Loans* (Guide, pp. 91, 108-112)

On April 3, 2016, Candidate Cosmo Kramer generously dips into his “rainy-day” savings account and contributes \$10,000 to his campaign committee to give his primary re-election campaign a last push before the primary. He indicates, however, that once money from other contributors comes in, he wishes to be paid back in full, no matter how long it may take, and will not charge the committee any interest.

Successful in the primary, however, concerned about the lack of money coming into the campaign for the general, on October 1, 2016, Candidate Kramer decides to loan the campaign an additional \$50,000 – this time the funds were derived from a loan he took out from Chemical Bank. The bank charges the candidate 12.5% interest on the loan. However, the candidate decides not to charge as much interest to the committee and loans the money to the campaign at an interest rate of 9.5%.

After visiting their son, George, who is friends with Congressman Kramer, Frank and Estelle Costanza stop by and contribute \$2,700 each towards Candidate Kramer’s primary. With a new confidence in their fundraising plan in the coming months, the campaign repays Candidate Kramer \$4,000 of his loan on October 10, 2016. (Note: payment consists of \$3,650 principal payment and \$350 interest payment).

- 1. Should the committee disclose the personal funds loan? If so, how should the committee disclose it?**

- 2. Are the reporting requirements any different for Candidate Kramer’s \$50,000 loan to the committee funded from a loan he took out from a lending institution?**

- 3. How is the committee’s loan repayment to the candidate disclosed?**

SCENARIO #5 – ANSWERS:

1. Should the committee disclose the personal funds loan? If so, how should the committee disclose it?

The term “loan” is contained in the definition of contribution, and as such, the personal funds loan from Candidate Kramer should be disclosed as both a contribution on Schedule A and as a loan on Schedule C.

- **Report the loan as a contribution** on Schedule A for Line 13(a). The Date of Receipt is the date the money is received by the campaign committee; itemization should include notation in Receipt This Period box indicating “personal funds.”

Part 1 of 2: Report Receipt as Contribution (July Q)

Form 3: Schedule A, Line 13(a)

Candidate
Loan

SCHEDULE A (FEC Form 3)	Use separate schedule(s) for each category of the Detailed Summary Page	FOR LINE NUMBER: PAGE OF <div style="display: flex; justify-content: space-between;"> <div style="font-size: x-small;"> 11a 11b 11c 11d 12 <input checked="" type="checkbox"/> 13a 13b 14 15 </div> </div>
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Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (In Full)
Committee to Elect Cosmo Kramer

A. Cosmo Kramer Mailing Address 129 West 81st Street Apt. 5B City New York State NY Zip Code 10024 FEC ID number of contributing federal political committee. C Name of Employer Kramerica Industries Occupation Founder Receipt For: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify) _____ Election Cycle-to-Date 10,000.00	Date of Receipt 04 / 03 / 2016 Amount of Each Receipt this Period 10,000.00 personal funds
---	---

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2015-16 Election Cycle

Campaign Operations, Part 2

- **Report terms of the loan** on Schedule C for Line 13(a). The Loan Source is the candidate. Itemization should also include notation indicating “personal funds.” Note that the committee will continuously report the loan on Schedule C until loan is fully repaid.

See Reporting Example on Next Page

Part 2 of 2: Report Receipt as Loan (July Q)

Candidate
Loan

Form 3: Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page	PAGE <input type="checkbox"/> OF <input type="checkbox"/>
LOANS		FOR LINE NUMBER: (check only one)	<input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (in full) Committee to Elect Cosmo Kramer			
LOAN SOURCE Full Name (Last, First, Middle Initial) Cosmo Kramer – personal funds		Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)	
Mailing Address 129 West 81st Street Apt. 5B			
City New York	State NY	ZIP Code 10024	
Original Amount of Loan 10,000.00	Cumulative Payment To Date 0.00	Balance Outstanding at Close of This Period 10,000.00	
TERMS			
Date Incurred 04 03 2016	Date Due None	Interest Rate None % (apx)	Secured: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
List All Endorsers or Guarantors (if any) to Loan Source			



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Campaign Operations, Part 2

Successful in the primary, however, concerned about the lack of money coming into the campaign for the general, on October 1, 2016, Candidate Kramer decides to loan the campaign an additional \$50,000 – this time the funds were derived from a loan he took out from Chemical Bank. The bank charges the candidate 12.5% interest on the loan. However, the candidate decides not to charge as much interest to the committee and loans the money to the campaign at an interest rate of 9.5%.

2. Are the reporting requirements any different for Candidate Kramer's \$50,000 loan to the committee funded from a loan he took out from a lending institution?

Yes. In addition to the disclosures on Schedules A & C (as noted above), the campaign committee must also submit Schedule C-1 to disclose the loan agreement between the lending institution and the candidate. Schedule C-1 also includes description/value of collateral used (if any), and requires the signature of an approving official from the bank.

See Reporting Example on Next Page

Part 1 of 2: Report Receipt as Contribution (Pre-G Report)

Bank
Loan

Form 3: Schedule A, Line 13(a)

SCHEDULE A (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE OF	
ITEMIZED RECEIPTS				<input type="checkbox"/> 11a <input type="checkbox"/> 11b <input type="checkbox"/> 11c <input type="checkbox"/> 11d <input type="checkbox"/> 12 <input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b <input type="checkbox"/> 14 <input type="checkbox"/> 15			
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer							
Full Name (Last, First, Middle Initial) A. Cosmo Kramer				Date of Receipt MM / DD / YYYY 10 / 01 / 2016			
Mailing Address 129 West 81st Street Apt. 5B							
City New York		State NY		Zip Code 10024			
FEC ID number of contributing federal political committee. C				Amount of Each Receipt this Period 50,000.00			
Name of Employer Kramerica Industries		Occupation Founder					
Receipt For: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)		Election Cycle-to-Date 60,000.00		Loan from Bank			



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2015-16 Election Cycle

Campaign Operations, Part 2

Part 1 of 2: Report Receipt as Loan (Pre-G Report)

Bank
Loan

Form 3: Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page		FOR LINE NUMBER: (check only one)		PAGE OF	
LOANS				<input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b			
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer							
LOAN SOURCE Full Name (Last, First, Middle Initial) Cosmo Kramer (Loan from Bank)				Election: <input checked="" type="checkbox"/> Primary <input type="checkbox"/> General <input type="checkbox"/> Other (specify)			
Mailing Address 129 West 81st Street Apt. 5B							
City New York		State NY		ZIP Code 10024			
Original Amount of Loan 50,000.00		Cumulative Payment To Date 0.00		Balance Outstanding at Close of This Period 50,000.00			
TERMS		Date Incurred MM / DD / YYYY 10 / 01 / 2016		Date Due MM / DD / YYYY 01 / 31 / 2018		Interest Rate 9.5 % (apr)	
						Secured: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	



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2015-16 Election Cycle

Campaign Operations, Part 2

Note that terms disclosed on Schedules C and C-1 may differ.

- (1) Candidate may use different terms than the bank (including no repayment conditions).
- (2) Lending institution must have terms offered in the normal course of business.

Part 1 of 2: Loan Agreement (Pre-G Report)

Bank
Loan

SCHEDULE C-1 (FEC Form 3) LOANS AND LINES OF CREDIT FROM LENDING INSTITUTIONS		Supplementary for Information found on Page ____ of Schedule C	
NAME OF COMMITTEE (In Full) Committee to Elect Cosmo Kramer		FEC IDENTIFICATION NUMBER C 00320000	
LENDING INSTITUTION (LENDER) Full Name Chemical Bank	Amount of Loan 50,000.00	Interest Rate (APR) 12.5 %	
Mailing Address 120 West 81st Street	Date Incurred or Established 10 01 2016	Date Due 01 31 2018	
City New York	State NY	Zip Code 10024	
A. Has loan been restructured? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, date originally incurred			
B. If line of credit, Amount of this Draw:		Total Outstanding Balance:	
C. Are other parties secondarily liable for the debt incurred? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes (Endorsers and guarantors must be reported on Schedule C.)			
D. Are any of the following pledged as collateral for the loan: real estate, personal property, goods, negotiable instruments, certificates of deposit, chattel papers, stocks, accounts receivable, cash on deposit, or other similar traditional collateral? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes, specify: Real estate		What is the value of this collateral? 250,000.00	
E. Are any future contributions or future receipts of interest income, pledged as collateral for the loan? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes If yes, specify:		Does the lender have a perfected security interest in it? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes What is the estimated value? 0.00	

Form 3: Schedule C-1

Loan
Agreement:
outlines loan
terms between
the Bank &
Candidate



FECConnect REGIONAL
2015-16 Election Cycle

Campaign Operations, Part 2

After visiting their son, George, who is friends with Congressman Kramer, Frank and Estelle Costanza stop by and contribute \$2,700 each towards Candidate Kramer's primary. With a new confidence in their fundraising plan in the coming months, the campaign repays Candidate Kramer \$4,000 of his loan on October 10, 2016. (Note: payment consists of \$3,650 principal payment and \$350 interest payment).

3. How is the committee's loan repayment to the candidate disclosed?

If payment is applied to the principal AND interest balances, the committee may use one check, but must break out each part and disclose them separately. Payment towards the principal balance is shown as a loan repayment, and payments toward interest are reported as operating expenditures. Note that principal repayments must also be continuously reported on Schedule C for each reporting period.

- **Report principal payment** on Schedule B for Line 19(a); itemization should include notation in Purpose of Disbursement box indicating, “candidate loan repayment – personal funds.”
- **Report interest payment** on Schedule B for Line 17; itemization should include a notation in Purpose of Disbursement box indicating, “interest payment on candidate loan.”

Part 2 of 2: Report Loan Payment as Disbursement (Pre-G Report)

Bank Loan

Principal – Form 3: Schedule B, Line 19(a)

SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) PAGE OF

☐ 17 ☐ 18 ☒ 19a ☐ 19b

☐ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (In Full)
Committee to Elect Cosmo Kramer

Full Name (Last, First, Middle Initial)
Cosmo Kramer

A. **Cosmo Kramer**

Mailing Address
129 West 81st Street Apt. 5B

City **New York** State **NY** Zip Code **10024**

Purpose of Disbursement
Loan Payment - Candidate Loan from Bank

Candidate Name
Cosmo Kramer

Office Sought: ☒ House ☐ Senate ☐ President

Disbursement For: ☐ Primary ☒ General ☐ Other (specify)

State **NY** District **8**

Date of Disbursement
10 / 10 / 2016

Amount of Each Disbursement this Period
3,650.00

Interest – Form 3: Schedule B, Line 17

SCHEDULE B (FEC Form 3)
ITEMIZED DISBURSEMENTS

Use separate schedule(s) for each category of the Detailed Summary Page

FOR LINE NUMBER: (check only one) PAGE OF

☒ 17 ☐ 18 ☐ 19a ☐ 19b

☐ 20a ☐ 20b ☐ 20c ☐ 21

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NAME OF COMMITTEE (In Full)
Committee to Elect Cosmo Kramer

Full Name (Last, First, Middle Initial)
Cosmo Kramer

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City **New York** State **NY** Zip Code **10024**

Purpose of Disbursement
Interest Payment on Bank Loan

Candidate Name
Cosmo Kramer


Office Sought: ☒ House ☐ Senate ☐ President

Disbursement For: ☐ Primary ☒ General ☐ Other (specify)

State **NY** District **8**

Date of Disbursement
10 / 10 / 2016

Amount of Each Disbursement this Period
350.00



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2015-16 Election Cycle

Campaign Operations, Part 2

Reporting Example Continues on Next Page

Part 2 of 2: Report Loan Payment (Pre-G Report)

Bank
Loan

Form 3: Schedule C, Line 13(a)

SCHEDULE C (FEC Form 3)		Use separate schedule(s) for each category of the Detailed Summary Page	PAGE 1 OF 1
LOANS		FOR LINE NUMBER: (check only one)	<input checked="" type="checkbox"/> 13a <input type="checkbox"/> 13b
NAME OF COMMITTEE (in Full) Committee to Elect Cosmo Kramer			
LOAN SOURCE Full Name (Last, First, Middle Initial) Cosmo Kramer (Loan from Bank)		Election: <input type="checkbox"/> Primary <input checked="" type="checkbox"/> General <input type="checkbox"/> Other (specify)	
Mailing Address: 129 West 81st Street Apt. 5B			
City New York	State NY	ZIP Code 10024	
Original Amount of Loan 50,000.00	Cumulative Payment To Date 3,650.00	Balance Outstanding at Close of This Period 46,350.00	
TERMS			
Date Incurred 10 / 01 / 2016	Date Due 01 / 31 / 2018	Interest Rate 9.5 % (apr)	Secured: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

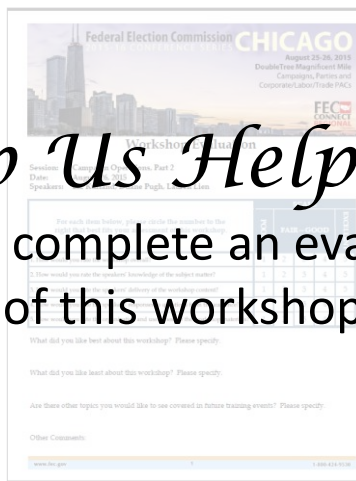
Key issues:

- If the candidate wishes to be paid back, be sure to report the receipt as a loan on the *first report* disclosing the receipt.
- **Tips for a Personal Funds Loan**
 - Use both Schedules A for Line 13(a) and Schedule C for Line 13(a).
 - Don't forget loan terms. Terms of a loan from the candidate's personal funds (no lending institution involved) may be more flexible. If there is no interest or due date, don't leave boxes blank, enter "none" or "n/a."
 - Include notations on both Schedules A & C indicating "personal funds."
 - When the candidate forgives a loan, the committee should file a letter signed by the candidate stating that the loan is forgiven – for both paper and electronic filers.
- **Tips for a Candidate Loan from Lending Institution**
 - When the candidate obtains a loan from the bank and then loans those funds to the campaign, report using Schedule A for Line 13(a), Schedule C for Line 13(a), and Schedule C-1.
 - Don't forget to include loan terms. Often terms on C-1 and C will differ. The candidate is able to use different terms than the bank (including no repayment conditions). The bank must have terms offered in the normal course of business.
 - Remember to include notations – i.e., "home equity line of credit."
 - Candidate may charge the campaign an interest rate on a loan derived from a bank that is different from what the bank charges the candidate.

- When disclosing repayment on this type of loan, principal campaign committee (PCC) may issue repayment to candidate or to the bank. Reflect payment on Schedules B and C. On Schedule B, break out payments towards principal and interest separately – disclosed on different line numbers: Line 19(a) for principal payments and Line 17 for interest payments.
- Loans made by a lending institution directly to the committee should be reported on Schedules A and C for Line 13(b) and Schedule C-1. Repayments on these loans should be reported on Schedule B for Line 19(b) for principal payments and Schedule B for Line 17 for interest payments, as well as reflected on Schedule C.

Workshop Evaluation

Help Us Help You!
Please complete an evaluation
of this workshop.



FECConnect REGIONAL
2015-16 Election Cycle

Campaign Operations, Part 2

Next Workshop

Campaign Operations, Part 3

10:15 a.m. – 12:00 p.m.

**Followed by
Networking Lunch
Room: La Salle II**



FECConnect REGIONAL
2015-16 Election Cycle

Campaign Operations, Part 2